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MARKETING STRATEGIES FOR MUTUAL FUNDS: TARGETING THE MILLENNIAL INVESTOR

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ABSTRACT

The burgeoning economy is a reliable barometer for gauging the state of the nation as a whole, and the persistent growth it experiences serves to bolster the level of the nation's participation in the global economy. This, in turn, has a wide range of impacts, each of which contributes in its own way to the day-to-day volatility in the stock market. The success of the stock market is influenced by a broad number of factors, both internal and external. The most important of these factors are commonly referred to as "risk and return," and they ultimately have a large consequence on the attitudes that investors have about investing. In order to address the challenges associated with growth that have surfaced as a direct result of liberalization and globalization, the government of India has instituted a process of ongoing reform. The trust of investors has been bolstered as a result of this. The expansion of the economy has resulted in an increase in personal savings and has brought about a startling rise in the number of people investing in the stock market. This has brought a new dimension to the financial sector and explored the potential of the industry, which has greatly increased and requires a continual flow of financial resources to keep up with the desired economic pace. As a result of this, the potential of the sector has been explored. A securities market that is both efficient and effective is required in order to make this a reality. The vast majority of investors are looking to buy financial instruments that have the potential for the highest possible return while also having the fewest conceivable drawbacks. Mutual funds are only one example of the huge range of hybrid financial products that have emerged in recent decades to meet the needs of investors who want to profit from the advantages of a growing economy.

Key Word: *AMCs, Index, Rank, Mutual Funds*

INTRODUCTION

According to the findings of a survey that was carried out by SEBI among fund houses, the most major barrier that mutual fund businesses encounter when attempting to market MF products is: a widespread lack of awareness about finances and information among investors. The most prevalent method through which MF has been marketed is through the involvement of a number of distributors located in a variety of geographic locations. On the other hand, there has been an issue since there are not sufficient numbers of reliable wholesalers. What are some of the most typical challenges that a potential investor has to go past?

1. A lack of awareness on topics pertaining to finances
2. An overwhelming quantity of investment companies and programs
3. Anxiety around the possibility of incurring monetary loss as a direct result of swings in the stock market

4. A distance on a human level with fund houses and distributors, which makes it difficult to build confidence between the parties involved

5. The high-pressure sales practices used by distributors, which work against customer education

6. Due to the intangible nature of financial services, it may be challenging for an investor to fully grasp and appreciate the benefits that these services give.

Post offices, Life Insurance Corporation (LIC), Public Provident Fund (PPF), Fixed Deposit (FD), and Recurring Deposit (RD) accounts are where the great majority of ordinary investors in India opt to store their money. Baby boomers are particularly likely to do this. These financial products generally appeal to customers because they offer a "false" feeling of security in the form of guaranteed returns, which is one of the reasons why these products are so popular. And this "financial wisdom" is eventually invested by and saved for by the millennial generation, which is the generation that follows the generation of baby boomers. Investment management companies have a big challenge as a result of this situation: how can one persuade millennials (those who are between the ages of 18 and 40) to invest in managed futures products while at the same time training them to forget the financial information that they have been grown up with? This brings us to the subject of making effective use of digital marketing to interact with and educate individuals, who will then go on to impact the networks of those to whom they are connected through the connections they have made. It is common knowledge that the vast majority of millennials have internet access and make regular use of social networking sites like Facebook and Twitter in their day-to-day lives. Millennials are turning to their mobile devices and social media platforms of choice in order to build confidence in businesses, connect with them, and make purchases. This encompasses everything from identifying restaurants to purchasing electronic items, literature, and fashion to recharging their cell or DTH connections.

1. Utilizing Different Social Media

Every single family of mutual funds has a robust presence on social media, where they update their profiles with fresh information on a regular basis. In any case, how much of a contribution is it really making to the broader goal of arousing more interest and bringing more attention to the issue? If we were forced to select between these two types of investors for a mutual fund, we would go with the following:

1. Familiar with the concept of a mutual fund, but unsure about which fund or product to put money into as an investment.

2. Being familiar with mutual funds as a form of investment, but lacking knowledge on the advantages of doing so.

The method that should be done in order to address this problem is to simplify the numerous financial jargons that appear to be the standard in the mutual fund industry. The conditions of a fixed deposit are simple: at the end of the period, you will get a certain interest rate, in this case 6% for an FD. This is not something that requires a lot of mental effort to understand. However, when it comes to presenting a mutual fund product, fund firms will resort to phrases such as "beating the benchmark index" in order to attract investors. This is done in the hopes of attracting more money. How many of the general public have a comprehensive understanding of the idea of a benchmark index? The reduction of the quantity of information being sent in such a way that it may be readily received and absorbed in less than seven seconds is the essential component of a successful message. It is essential that when you communicate with other people through social media, you do so in a manner that is uncomplicated and uncomplicated. In addition to this, mutual funds need to generate content that is not just interesting but also enjoyable to its investors. They need to cut down on the running time of the movies and get rid of the charts and graphs that are so incomprehensible. When it comes to making decisions regarding one's finances, such as investing or saving money, the thing that is most crucial to do is to place oneself in the position of a customer. How does she decide which investment product to purchase, and what are the factors that she uses to make this decision? And do so in the language that the individual feels most at ease communicating in. Determine the specific difficulties that are experienced by each category of customers, and then design a plan for resolving those difficulties in a manner that is meaningful and fun while also being easy to understand.

2. Optimization for search engines

Google is the site where discoveries are made, but Facebook is the place where people communicate with one another. Over the course of the last few years, conduct similar to this has established itself as the norm on the internet. There are a number of websites that are now reaping the advantages of improved customer acquisition as a direct result of having a properly thought-out SEO strategy. These websites can be found on the internet. The great majority of well-known mutual fund brands, however, do not pay any focus at all on search engine optimization on their websites. Through the strategic use of keyword research, a website structure that is based on the company's business, and content that has been optimized, mutual fund companies have the potential to more than quadruple the quantity of internet traffic that they receive.

3. Blogs

Utilizing corporate blogs is one of the most efficient methods of inbound marketing that is currently available. When consumers read blogs, it helps them educate themselves, which in turn improves their ability to make judgments. Because it is a means of generating interest and awareness, every company that administers mutual funds should make an investment in content marketing. This is because content marketing is a route. Blogs are helpful for enabling the discovery of new content in part because the majority of the content that people seek for on Google is informative in nature. Maintain a regular and consistent posting schedule as you are planning out content for the following six weeks in advance.

4. Managing Online Reputation

According to research published by Google, more than sixty percent of consumers, before deciding whether or not to make a purchase of a certain brand, look at what other people have said about that brand online and see what they have to say about it. This study highlights how important it is for businesses to not only keep their online image in good standing but also to actively communicate with consumers even when those customers are not in the process of completing a purchase. What about researching what people are talking about with reference to mutual funds on social media sites such as Twitter and Facebook, and then responding to their inquiries in a manner that is both helpful and pertinent? They will have more faith in it as a result.

5. Register for our email updates.

Should you stop caring about online visits if you are consistently publishing new content on a weekly basis and are able to direct those people to the right place on your website? Encourage them to join up for your weekly emails providing information on mutual fund education by sending them an invitation to do so and suggesting that they do so. People are more inclined to take advantage of free opportunities to read and learn new things when there are no conditions linked to such possibilities. If you keep up a consistent schedule for your blog and send out email newsletters, you will see an increase in the number of people that revisit your website. These site visitors will then go to AIDA stages 3 and 4, which are titled "Desire" and "Action," respectively.

OBJECTIVE

1. To study impact of marketing strategies on perception of mutual fund's investors.
2. To study preferences of Millennial Investor towards the investment in Mutual funds.

RESEARCH METHODOLOGY

From the point of view of investors in the city of Lucknow over the period of one year (2011-12), the goal of this study is to evaluate and quantify investor perception and preference with regard to nine of the most trusted mutual funds in the city over the course of the previous year. For this reason, descriptive and exploratory research methods, as well as non-probability sampling methods, often known as convenience sampling, were employed to conduct the study. Additionally, descriptive and exploratory research methods were utilized to collect data.

DATA ANALYSIS

The process of evaluating and making sense of the data involved using calculations based on frequency and percentages, in addition.

Table 1: Knowledge of the Investing Process, including all of its Benefits, Terms, and Conditions

Awareness about all the benefits, terms & conditions of investment in Mutual funds	Frequency	Percent	Cumulative Percent
Yes	87	96.7	96.7
No	3	3.3	100.0
Total	90	100.0	

The table that was just shown (No: 1) reveals that 96.7% of the respondents are aware of the benefits, terms, and conditions of mutual funds, while just 3.3% of the respondents are not aware of the benefits, terms, and conditions of mutual funds.

Table 2: Feelings of Respondents Regarding Their Appetite for Risk

When you think of investment which statement best characterizes your feelings	Frequency	Percent	Valid Percent	Cumulative Percent
I want to be as sure as possible that my savings will not go down significantly	25	27.8	27.8	27.8
I prefer taking on a small amount of risk in order to gain higher expected returns	45	50.0	50.0	77.8
I prefer substantial risk to gain higher expected returns	20	22.2	22.2	100.0
Total	**90**	**100.0**	**100.0**	

In the table that was just presented (No. 2), it is possible to see that 27.8% of respondents are certain that their savings will not decrease significantly, that 50% of respondents prefer to take on a small amount of risk in order to gain higher returns, and that 22.2% of respondents prefer to take on a substantial amount of risk in order to gain higher returns. All of these results can be found in the table that was just presented. It is possible to observe each of these outcomes.

Table 3: The Motivation Behind the Purchasing Decision

For what purpose you purchase Mutual Funds	Frequency	Percent	Valid Percent	Cumulative Percent
As tax saving scheme only (a)	6	6.7	6.7	6.7

As an investment to get returns (b)	28	31.1	31.1	37.8
Both (a) & (b)	56	62.2	62.2	100.0
Total	**90**	**100.0**	**100.0**	

CONCLUSION

The plan for economic growth that was devised during the era of liberalization and globalization resulted in the construction of a pleasant environment, the exploration of the dormant desires of investors, and the encouragement of those investors to take part in the process of wealth creation by investing whatever extra reserves they had in the market. The eras of liberalization and globalization were crucial in the planning and execution of this economic expansion. Mutual funds are one accessible alternative for lowering risk via diversification, and they are managed by knowledgeable fund managers. Mutual funds may be found in a variety of investment categories. Because of their increased revenue, investors are looking for fresh business ventures from which they may make even more money. In addition, in order to assure a more stable financial future, they are in the process of diversifying the holdings in their portfolio. After the investor has received all of the relevant information about the fund from the prospectus, including its operating constraints and charges, the investor will either personally make the choice to invest in the fund or the fund management will make the decision for the client. In order to achieve the goals that have been set, later fund managers are necessary to conduct their actions within the boundaries that have been established. This is a vital requirement. Mutual funds are available for purchase by individual investors either on the open market directly from the fund firm or through a third party that acts as an intermediary. Mutual funds are an excellent investment option since they are risk-free, allow for gradual growth of principle, and are straightforward to buy and sell. The findings of the study will be of adequate support to the organizations that manage mutual funds in their attempts to appreciate and analyze the investor expectations held by retail investors in the city of Lucknow. These companies may anticipate to receive sufficient aid from the findings of the study. The objective of the survey that was carried out for the purpose of the study was to make it simpler for MF businesses to identify the expectations of their customers and to make changes in the quality of the service that was supplied in line with those expectations. Additionally, the purpose of the survey that was carried out for the purpose of the study was to examine the relationships between customer expectations and the quality of the service that was delivered.

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